84-#231 - #12371
04/85

# PRELIMINARY GEOLOGICAL REPORT ON THE LAMB 3 GROUP

## OWNED BY SKELLY RESOURCES LTD.

## PRINCETON-HEDLEY AREA

## SIMILKAMEEN AND OSOYOOS MINING DIVISIONS

By

R.E. Renshaw, P. Eng,
Consulting Geologist

49° - 14' North Latitude
120° - 15' West Longitude



14th July, 1983

Vancouver, B.C.

R.E. Renshaw, P. Eng.
#803 - 470 Granville Street
Vancouver, B.C.

July 18, 1984

Mrs. R Carlson
c/o Gold Commissioner
File No. 166 - Osoyoos

Dear Sirs:

Re: Assessment Report 84-#231
Lamb 3 & 4 Mineral Claims

This is a follow-up of a report of June, 1983 outlining certain other work of Phase I and Phase II.

Phase I was line cutting and geological mapping.

A south base line cut established and east-west crosslines cut on 100 metres with stations every 30 m. All stations are well marked and flagged. Outcrops are plotted on map.

The time for survey was 10 days for crew and myself.

R.E. Renshaw, P. Eng.
Consulting Geologist

PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
R. E. RENSHAW

RR/dm

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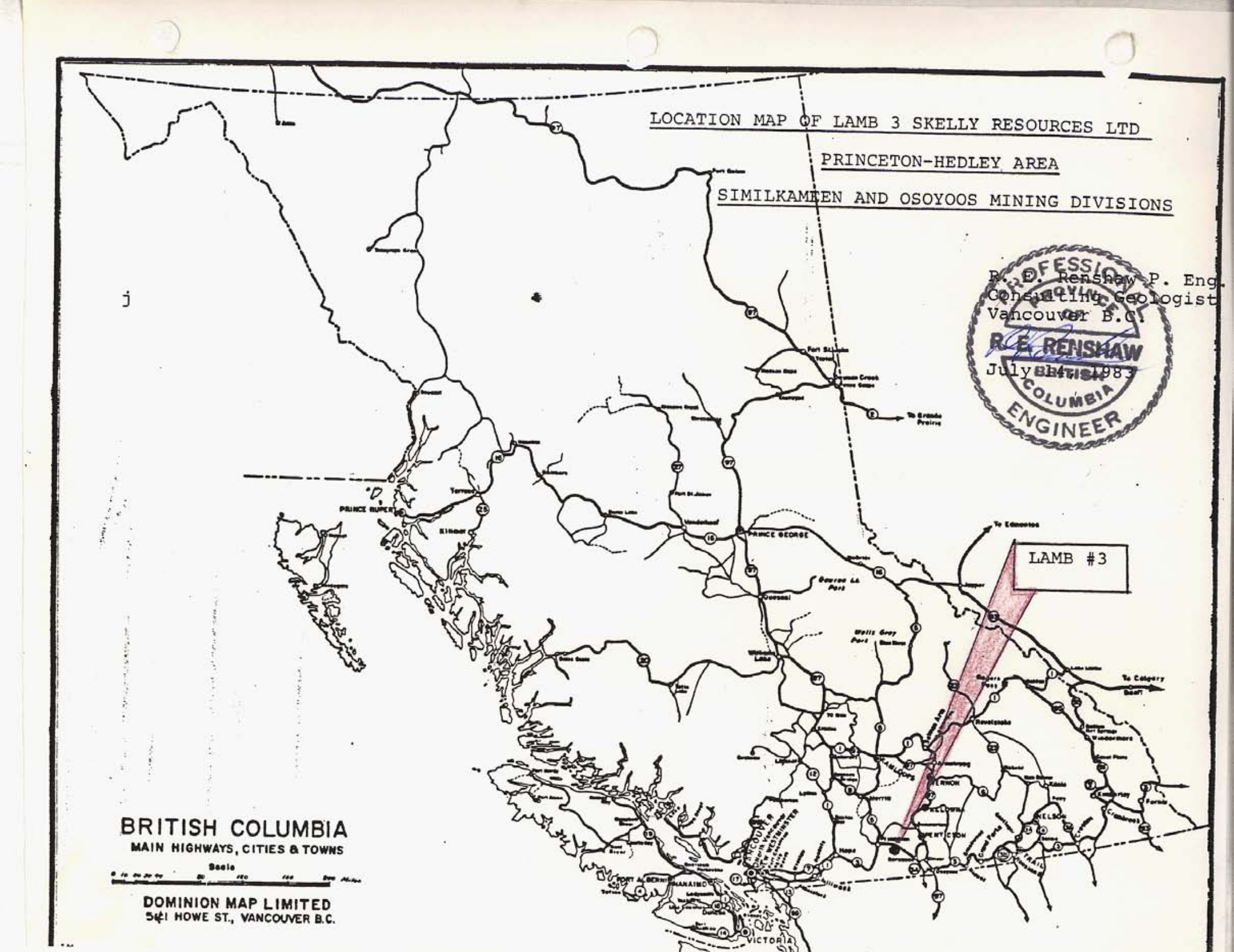
LOCATION MAP OF LAMB 3 SKELLY RESOURCES LTD

PRINCETON-HEDLEY AREA

SIMILKAMEEN AND OSOYOOS MINING DIVISIONS

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R. E. Renshaw P. Eng.
Consulting Geologist
Vancouver B.C.

PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
R. E. RENSHAW

July 8th, 1983


TOPOGRAPHY FROM MAP 92H/SE

Scale 1:100 000

(1 cm = 1 km)

km 2 0 2 4 6 8 10 12 14 km

1 km = 0.6214 mi.

Contour Interval 50 m

1 mi. = 1.6093 km

Universal Transverse Mercator Projection

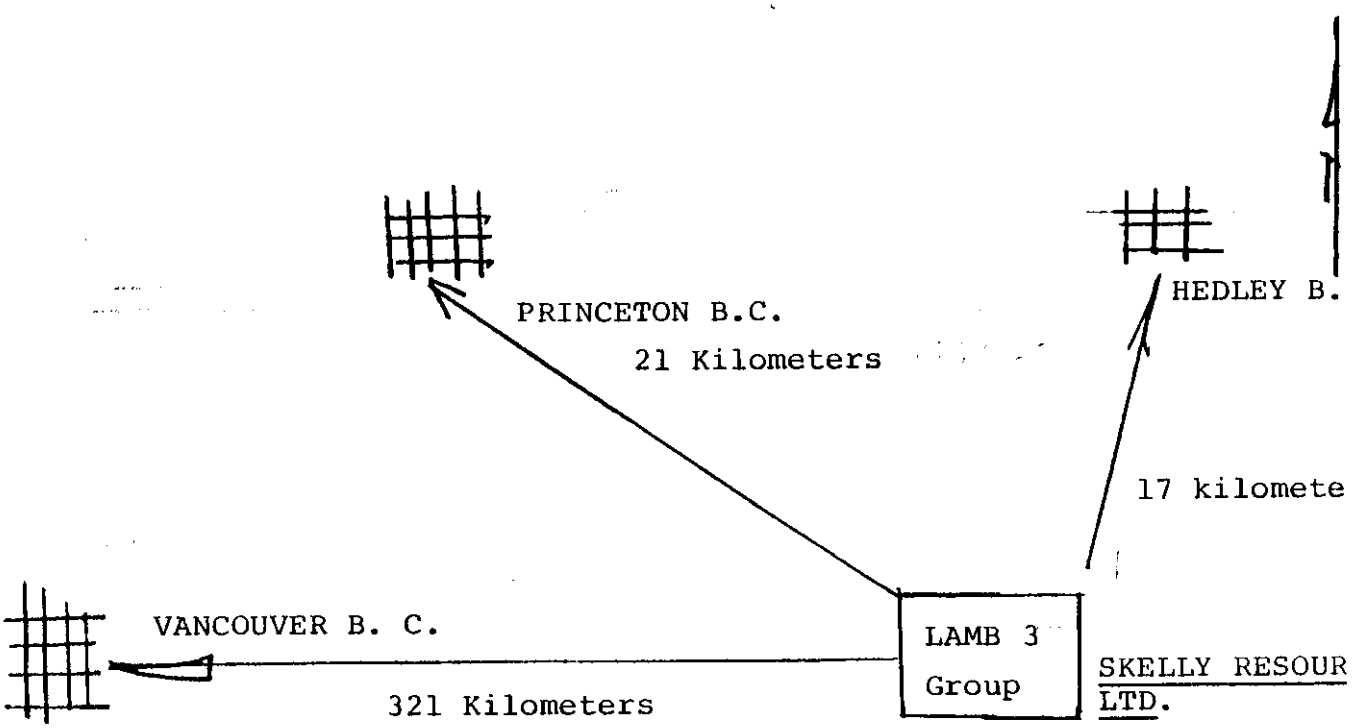
PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
R. E. RENSHAW

July 03

LOCAL LOCATION MAP OF LAMB 3 - SKELLY RESOURCES LTD.

SIMILKAMEEN AND OSOYOOS MINING DIVISIONS

- NOT TO SCALE -




PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
R. E. RENSHAW

R. E. Renshaw, P. Eng.
Consulting Geologist
Vancouver, B. C.

14th, July, 1983

# PRELIMINARY GEOLOGICAL REPORT ON THE LAMB 3 GROUP OWNED BY SKELLY RESOURCES LTD.

## INTRODUCTION

This report is prepared at the request of the principals of Skelly Resources Ltd., of #808 - 837 West Hastings Street, in Vancouver, British Columbia.

It is based upon one day spent on the property on the 9th of June, 1983, plus an intimate knowledge of the area dating back to 1956, and a study of various maps and reports on the Hedley-Princeton map area.

The writer was accompanied by Mr. Roy Cameron of Vancouver, B.C.

## LOCATION AND ACCESS

The property is located some 21 kilometers southeast of Princeton and 17 kilometers south of Hedley. The claims are partly in the Similkameen and partly in the Osoyoos Mining Divisions.

The geographical location is $49^{o}$ - 14' north latitude, and $120^{o}$ - 15 ' west longitude.

Access to the claims is an all-weather gravel logging road branching off Highway No. 6 just west of Hedley to the headwater of Pettigrew Creek. This is passable by car or pickup several branch roads give access to other parts of the claim.

## PHYSIOGRAPHY

The property is within the Wilbert Hills area of the Thompson Plateau. The hillsides are gently rounded and no extremes of relief are present ranging from 1,600 meters to 1,800 meters.

## WATER AND POWER

Ample water is available for all phases of the exploration program during the snow free exploration period of up to eight months of the year.

No power is present.

## TIMBER

There is ample timber present consisting of stands of fir and pine.

## CLAIMS

The Lamb 3 group consists of 20 metric units and is properly staked. The posts are tagged and have the correct inscriptions. The tag number is 87528 and the record number is 7515.

The claims are recorded in the Mining Recording office in Penticton, B.C. They contain 500 hectacres.

## HISTORY OF AREA AND CLAIMS

The property is located within the Nicola Volcanic Belt that stretches from the United States border 50 km south of Princeton, north to Kamloops Lake. This Belt has been the object of continued mineral exploration since the late 1800's when gold and platinum placer deposits were discovered along the Tulameen and Similkameen Rivers. Subsequent exploration of the Nicola belt led to the discovery of numerous copper with often associated gold and silver occurrences most of which are presently indicated by either trenches, pits, shafts and or adits.

Although most of the occurrences were determined to be uneconomical at the time of discovery and exploration, persistent and often varying exploratory and technological procedures led to the productivity of the Copper Mountain deposits at Princeton 27 km northwest - originally in 1925, secondly in 1937, and most recently, in 1972 - the Craigmont deposit at Merritt 102 km north northwest in 1961 and the Afton deposit near Kamloops 170 km north in 1977.

In the Hedley area 17 km northeast placer gold was discovered on Hedley Creek in 1859 but it was not until 1898 that gold bearing arsenopyrite was discovered by prospectors in nearby Nickel Plate Mountain. Following a short development period, milling of the original Nickel Plate Mine ores commenced in 1904 up to 1955 with short intervals of closure.

Between 1904 and 1955, the Hedley Camp produced 1,730,643 oz. of gold from ore averaging 0.436 oz. Au/ton.

With the increase of gold prices in the late 1970's, the old production areas were re-examined and developed to some extent with shipments made from the Good Hope - Canty deposits, to the Dankoe Mill near Keremeos 20 km southeast of Hedley.

Banbury Gold Mines is exploring and developing a gold mineralized zone northwest of the Lamb 3.

The writer is not aware of any previous exploration on the ground covered by the Lamb 3.

## GEOLOGY

According to Map 88A - Princeton, the general area is underlain by the Upper Triassic Nicola Group of volcanics, sediments and schists which are intruded by the Jurassic Coast Intrusives and intrusives of peridotite, pyroxenite and gabbro.

The Coast Intrusives are predominant in enveloping the Nicola group which forms a band stretching from south of Princeton to beyond Kamloops Lake in the north. The same intrusives in addition to the more mafic rock intrusives and pink and grey granite and granodiorite of the Upper Cretaceous Otter Intrusions occur as stocks and plugs within the Nicola band.

The latest rocks of the region, the Kingsvale, and Princeton Group of volcanics occur as varisized cappings throughout the area and are unmineralized.

The Nicola group consists of a succession of lavas of unknown thickness with irregular intercalations of tuffaceous and argillaceous lenses and occasional beds of of limestone. Dawson states that "there seems to be further in several places, a blending of materials originally volcanic with quartzose sediments, . . . "

Flow breccias are probably more common than massive lava with with different types also mixed together. An unusual case of a flow is a greenish rock containing rounded fragments of what appears to be a red syenite but is actually a flow breccia feldspar porphyry.

The sedimentary rocks are more restricted with some sediments of considerable extent, however, more commonly, as small patches of fine-grained, well bedded tuff or tuffaceous argillite and small lenses of blue-grey limestone all through the volcanic rocks.

Breccias are common in certain areas. The breccia consist of angular fragments "half an inch is an inch in size", of predominantly volcanic rocks with argillite which are frequently associated with tuff or greywacke of "an eighthof an inch across" subangular grains.

At the Nickel Plate gold deposits at Hedley, 20 km southwest of Princeton, the stratified Nicola Rocks of thin bedded quartzite, argillite, tuff and breccia in part much silicified are floored of a large body of granodiorite and intruded by gabbro stocks, dykes and sills.

The granodiorite rarely is found in the sediments, however, the basic intrusions are abundantly represented through the ore zone. The "Climax stock" was originally believed to be a stock, however the lower contact is concordant with the intruded sediments so that the body closely resembles a large irregular sill. On the eastern part of the "Climax stock", the 'sills and dykes' are porphyries.

Extensive development of coarse garnet and pyroxene skarns occurs as a halo on the surface of the porphyry sills which are present and in contact with limestone. The known ore shoots occur in the skarn not more than '250 feet' from the limestone contact.

The main Nickel Plate orebodies varied from "10 feet to more than 100 feet" in thickness and were up to "500 feet in length and 350 feet in width". The orebodies occurred within a zone plunging N 20 W at $30^{o}$ for a slope distance of "3,000 ft." Within the zone, there were at least seven irregular sheet-like deposits overlapping an echelon. In addition to ore within the skarn zones, gold mineralization also occurs in cross cutting fractures of the "dykes and sills".

The Lamb 3 group is in a favourable mineralized area and a preliminary exploration program is warranted.

## RECOMMENDATIONS

1. Cut grid lines on an interval of 100 meters, with stations every 30 meters. A maximum of 52 kilometers required. Using the grid lines as topographical control, do the following work.

    a) Geological and Topographical mapping
    b) Magneter survey
    c) Electromagnetic survey
    d) Geochemical soil sampling
    e) Some bulldozing

## ESTIMATED COSTS

My Table of Estimated Costs to carry out the above work is shown in Appendix 'A'.

R.E. Renshaw, P. Engr.
Consulting Geologist
14 July 1983

PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
R. E. RENSHAW

## APPENDIX "A"

## TABLE OF ESTIMATED COSTS - 'LAMB 3 GROUP'

**Phase I**

| | | |
|---|---|---|
| 1) | Line Cutting; Line Spacing 100 meters Stations every 30 meters. | $ 6,500.00 |
| 2) | Geological Mapping | 1,500.00 |
| 3) | Logistics | 3,500.00 |
| 4) | Four Wheel Drive | 1,500.00 |
| 5) | Engineering and Supervision, Supplies, Flagging, Pickets, etc. | 500.00 |
| 6) | Contingencies | 2,000.00 |
| | Total Phase I | $18,000.00 |

**Phase II**

| | | |
|---|---|---|
| 1) | Magnetometer, EM and Geochemical Survey | $ 7,500.00 |
| 2) | Soil Sample and Other Assays | 1,500.00 |
| 3) | Bulldozing and Tote Road | 8,000.00 |
| 4) | Four Wheel Drive | 2,500.00 |
| 5) | Engineering and Supervision | 3,500.00 |
| 6) | Logistics | 5,000.00 |
| 7) | Contingencies | 2,000.00 |
| | Total Phase II | $30,000.00 |

R. E. Renshaw, P. Eng.
Consulting Geologist
14 July 1983

PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
R. E. RENSHAW

## APPENDIX "B"

## CERTIFICATE OF QUALIFICATIONS

I, Rodney E. Renshaw, hereby certifiy that,

1) I am a resident of Vancouver, British Columbia.

2) I maintain an office at LG 153 - 890 West Pender Street.

3) I am a graduate of the University of British Columbia and hold the degree of Bachelor of Applied Science in Geological Engineering in 1942.

I have also taken two years of post graduate studies in specialized courses in geology and geophysics.

4) I am a member of the Association of Professional Engineers of British Columbia and have been practising my profession as a Consulting Geologist or Professional Engineer for the past 34 years in nearly all parts of Canada, the western United States, Alaska and Central Mexico.

5) I have no interest in the Lamb 3 claims or shares of Skelly Resources Ltd., direct or indirect, nor do I expect to receive any.

R.E. Renshaw, P. Eng.
Consulting Engineer
Vancouver, B.C.
14 July, 1983

R.E. Renshaw, P. Eng.
Consulting Geologist
LG 153 - 890 West Pender Street
Vancouver, B.C.

July 14, 1983

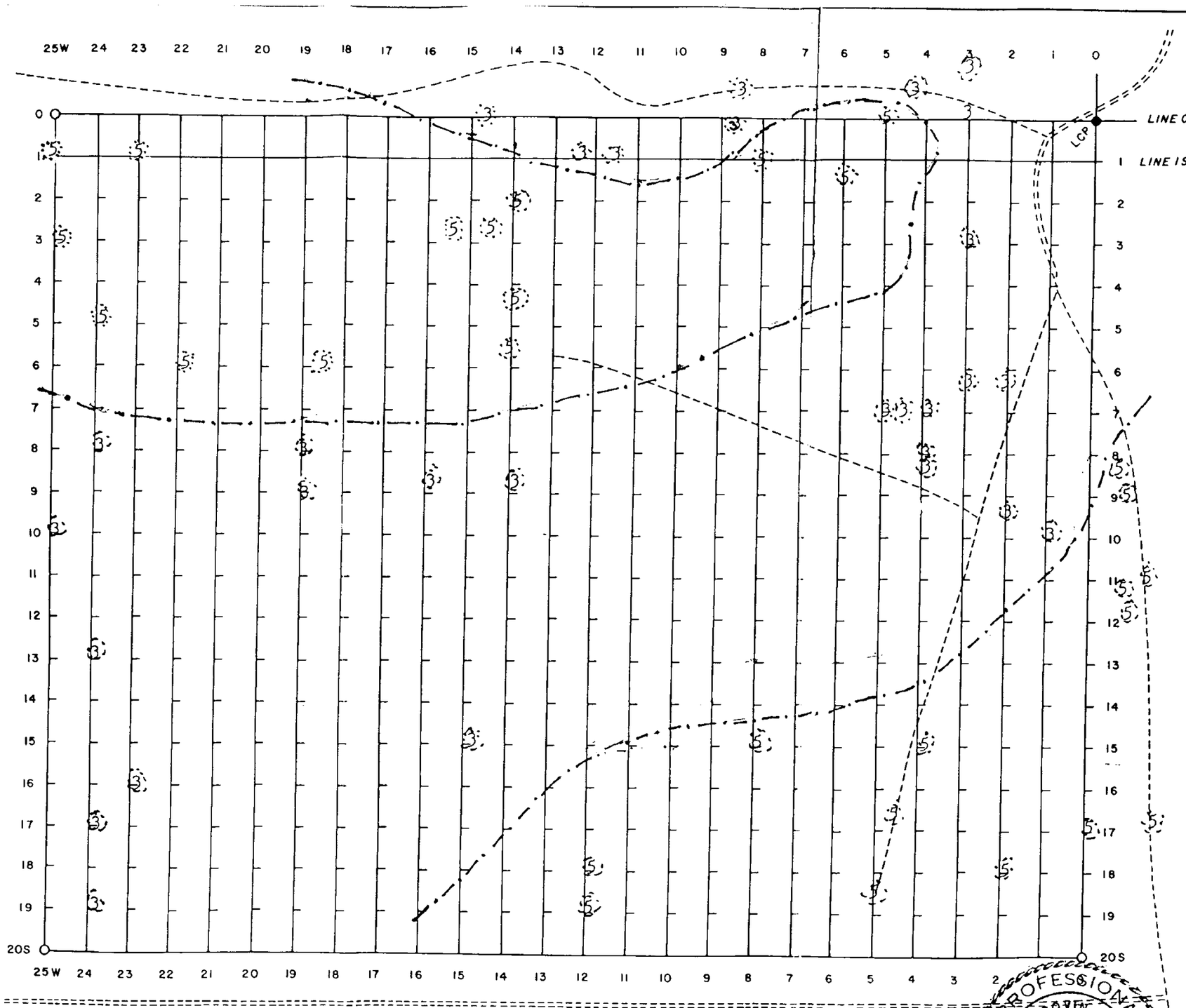
Skelly Resources Ltd.
#808 - 837 West Hastings Street
Vancouver, B.C.

To Whom It Might Concern:

This is my release and consent to use the enclosed report on the LAMB 3 group in any press release or prospectus that might be required.

R.E. Renshaw, P. Eng.

PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
R. E. RENSHAW




## LEGEND

LAMB 3 — Claim

- Legal corner post
- Corner post
- ==== Good logging road
- ---- Feeder road
- Grid lines — 100M spacing, 25M stations
- (5) Jurassic–Cretaceous — Granite, quartz diorite
- (3) Upper Triassic — *Nicola Group* andesite, tuff

Assumed contact .—.—.—

N

SCALE: 1cm = 100m

200 100 0 200 400 Metres

PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
R. E. RENSHAW
R. E. Renshaw, P.Eng.

| | | | |
|---|---|---|---|
| SKELLY RESOURCES LTD. | | | |
| LAMB 3 CLAIM | | | |
| ASSESSMENT REPORT | | | |
| CLAIM LINES AND GEOLOGY | | | |
| | DRAWN R.E.R | DATE NOV. 1983 | FIGURE |
| Revised ~~10 July 84~~ | | N.T.S | |